



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2006
OF THE CONDITION AND AFFAIRS OF THE

MEMPHIS MANAGED CARE CORPORATION

NAIC Group Code 0000, 2005 NAIC Company Code 00000 Employer's ID Number 621539163
(Current Period) (Prior Period)

Organized under the Laws of TENNESSEE, State of Domicile or Port of Entry Tennessee

Country of Domicile US

Licensed as business type:

Life Accident and Health [] Property/Casualty [] Hospital, Medical and Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Other []
Health Maintenance Organization [X] Is HMO Federally Qualified? Yes (X) No ()

Incorporated July 7, 1993 Commenced Business January 1, 1994

Statutory Home Office 1407 Union Ave. Suite 200, Memphis, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 1407 Union Ave. Suite 200, Memphis, Tennessee 38104 901-725-7100
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1407 Union Ave. Suite 200, Memphis, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 1407 Union Ave. Suite 200, Memphis, Tennessee 38104
(Street and Number, City or Town, State and Zip Code)
901-725-7100
(Area Code) (Telephone Number)

Internet Website Address www.mmcc-tlc.com

Statutory Statement Contact Cheryl A. Miller 901-725-7100
(Name) (Area Code) (Telephone Number) (Extension)
cmiller@mmcc-tlc.com 901-405-7802
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Policyowners 1407 Union Ave. Suite 200, Memphis, Tennessee 38104 901-725-7100
Relations (Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)
Contact and Phone Number

OFFICERS

1. AL KING (President)
2. STEVEN BURKETT (Chairman)

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Jeff Brandon
Steven Burkett
Barry Fowler
Brenda Jetter
Al King
Veronica Mallett, Dr.
Stuart Polly, Dr.
Andy Spooner, Dr.
Bruce Steinhauer, Dr.

State of Tennessee }
County of SHELBY } SS

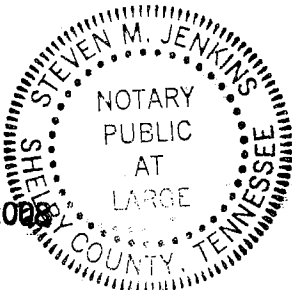
The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

AL KING
President

STEVEN BURKETT
Chairman

Subscribed and sworn to before me this
29 day of November, 2006

NOTARY PUBLIC (Seal)



MY COMMISSION EXPIRES FEB. 12, 2008

a. Is this an original filing? Yes (X) No ()
b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

ASSETS

	Current Statement Date			4
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Col. 1 minus Col. 2)	Prior Year Net Admitted Assets
1. Bonds	18,241,112		18,241,112	17,364,710
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 6,307,372), cash equivalents (\$) and short-term investments (\$)	6,307,373		6,307,373	5,991,256
6. Contract loans (including \$ premium notes)				
7. Other invested assets	1,378,647		1,378,647	
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Line 1 to Line 9)	25,927,132		25,927,132	23,355,966
11. Title plants less \$ charged off (for Title insurers only)				
12. Investment income due and accrued	151,493		151,493	165,141
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans	7,912,456		7,912,456	4,730,908
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	476,251	476,251		563,933
19. Furniture and equipment, including health care delivery assets (\$)	158,763	158,763		35,621
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	310,079	28,078	282,001	
22. Health care (\$) and other amounts receivable	115,007	115,007		
23. Aggregate write-ins for other than invested assets	971,728	971,728		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	36,022,909	1,749,827	34,273,082	28,851,569
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Totals (Line 24 and Line 25)	36,022,909	1,749,827	34,273,082	28,851,569
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)				
2301. Prepaid Expenses	971,728	971,728		
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	971,728	971,728		

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ reinsurance ceded)				
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	1,341,241		1,341,241	2,313,260
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates	192,951		192,951	
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$ current)				
22. Total liabilities (Line 1 to Line 21)	1,534,192		1,534,192	2,313,260
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X		
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X	3,699,498	3,699,498
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	29,039,392	22,838,810
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	X X X	X X X		
30.2 shares preferred (value included in Line 25 \$)	X X X	X X X		
31. Total capital and surplus (Line 23 to Line 29 minus Line 30)	X X X	X X X	32,738,890	26,538,308
32. Total Liabilities , capital and surplus (Line 22 and Line 31)	X X X	X X X	34,273,082	28,851,568
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Line 2101 through Line 2103 plus Line 2198) (Line 21 above)				
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Line 2801 through Line 2803 plus Line 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1	2	3
	Uncovered	Total	Total
1. Member Months	X X X	1,544,787	1,706,525
2. Net premium income (including \$non-health premium income)	X X X		
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Line 2 to Line 7)	X X X		
Hospital and Medical:			
9. Hospital/medical benefits			
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs			
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Line 9 to Line 15)			
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Line 16 minus Line 17)			
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 1,734,322 cost containment expenses		3,366,347	2,091,653
21. General administrative expenses		(7,848,182)	(6,354,336)
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)			
23. Total underwriting deductions (Line 18 through Line 22)		(4,481,835)	(4,262,683)
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	X X X	4,481,835	4,262,683
25. Net investment income earned		967,146	550,802
26. Net realized capital gains (losses) less capital gains tax of \$			
27. Net investment gains (losses) (Line 25 plus Line 26)		967,146	550,802
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses		114,156	813,735
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	X X X	5,563,137	5,627,220
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Line 30 minus Line 31)	X X X	5,563,137	5,627,220
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)			
2901. Other Revenue			813,735
2902. Medcall Revenue		64,316	
2903. MRI Revenue		49,840	
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)		114,156	813,735

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2	3
	Current Year to Date	Prior Year To Date	Prior Year
33. Capital and surplus prior reporting year	26,539,158	21,118,907	21,118,938
34. Net income (loss) from Line 32	5,563,137	5,627,221	7,972,686
35. Change in valuation basis of aggregate policy and claims reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	(628,750)	278,742	447,534
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in		(3,000,000)	
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Tranferred from capital			
46. Dividends to stockholders			(3,000,000)
47. Aggregate write-ins for gains or (losses) in surplus	1,266,197		
48. Net change in capital and surplus (Line 34 to Line 47)	6,200,584	2,905,963	5,420,220
49. Capital and surplus end of reporting period (Line 33 plus Line 48)	32,739,742	24,024,870	26,539,158
DETAILS OF WRITE-INS			
4701. AUDIT ADJUSTMENT	1,266,197		
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)	1,266,197		

CASH FLOW

	1	2
	Current Year To Date	Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance		
2. Net investment income	980,794	732,382
3. Miscellaneous income	114,156	1,085,237
4. Total (Line 1 through Line 3)	1,094,950	1,817,619
5. Benefit and loss related payments		
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	(2,440,893)	3,162,048
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$		
net of tax on capital gains (losses)		
10. Total (Line 5 through Line9)	(2,440,893)	3,162,048
11. Net cash from operations (Line 4 minus Line 10)	3,535,843	(1,344,429)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	3,410,797	3,197,098
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	3,410,797	3,197,098
13. Cost of investments acquired (long-term only):		
13.1 Bonds	4,287,198	17,358,313
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	1,378,647	
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	5,665,845	17,358,313
14. Net increase or (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(2,255,048)	(14,161,215)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		(3,000,000)
16.6 Other cash provided (applied)	(964,679)	324,095
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(964,679)	3,324,095
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	316,116	(12,181,549)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	5,991,256	18,172,805
19.2 End of period (Line 18 plus Line 19.1)	6,307,372	5,991,256

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital and Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
Total Members at end of:													
1. Prior Year	2,245,795								2,245,795				
2. First Quarter	518,118								518,118				
3. Second Quarter	513,661								513,661				
4. Third Quarter	513,008								513,008				
5. Current Year													
6. Current Year Member Months													
Total Member Ambulatory Encounters for Period:													
7. Physician	163,495								163,495				
8. Non-Physician	6,058								6,058				
9. Total	169,553								169,553				
10. Hospital Patient Days Incurred	21,583								21,583				
11. Number of Inpatient Admissions	6,967								6,967				
12. Health Premiums Written													
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned													
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services													
18. Amount Incurred for Provision of Health Care Services													

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
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NONE

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 plus 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Line 1 to Line 8)						
10. Healthcare recievables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals						

NONE

(a) Excludes \$ loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

9. No Change

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. No Change.
- B. No Change.
- C. No Change.
- D. At September 30, 2006 the company had \$282,002 due from Mid-South Health Solutions for Services rendered and \$28,078 due from the Med for Medcall and MRI Services.
- E. No Change.
- F. No Change.
- G. No Change.
- H. No Change.
- I. The company owns 100% interest in Mid South Health Solutions, whose carrying value does not equal or exceed 10% of the admitted assets of Memphis Managed care Corporation. Memphis Managed Care Corporation carries Mid South Health Solutions a Non-Insurance company at GAAP Equity.

Based on Memphis Managed Care Corporation ownership percentage of Mid South Health Solutions a Non-Insurance Company, the statement value of Mid South Health Solutions, Non-Insurance Company assets and Liabilities as of September 30, 2006 were \$1,664,460 and \$285,587, respectively.

Memphis Managed Care Corporation's share of Net Income (Loss) of Mid South Health Solutions was (\$121,353) for the Quarter ended September 30, 2006.

- J. No Change

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- C. Memphis Managed Care Corporation did not engage in any wash sales for the quarter Ending September 30, 2006.

22. No Change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes () No (X)
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes () No ()
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes () No (X)
- 2.2

If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.

.....
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes () No (X)
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes () No (X)
- 4.2

If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....
.....
.....

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

If yes, attach an explanation.

Yes () No () N/A (X)
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

06/30/2005
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

06/30/2005
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/24/2006
- 6.4

By what department or departments?

TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE, TENNCARE DIVISION
.....
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes () No (X)
- 7.2

If yes, give full information

.....
.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes () No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

.....
.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes () No (X)
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....
.....
.....

FINANCIAL

- 9.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes (X) No ()
- 9.2

If yes, indicate the amounts receivable from parent included in the Page 2 amount:

\$

GENERAL INTERROGATORIES (continued)

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

INVESTMENT

10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes () No (X)

10.2 If yes, explain
.....
.....

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? Yes () No (X)
(Exclude securities under securities lending agreements.)

11.2 If yes, give full and complete information relating thereto:
.....
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$

13. Amount of real estate and mortgages held in short-term investments: \$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes () No (X)

14.2 If yes, please complete the following:

	¹ Prior Year-End Book/ Adjusted Carrying Value	² Current Quarter Statement Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26)	\$	\$
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on schedule DB? Yes () No (X)

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes () No ()
If no, attach a description with this statement.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes () No (X)

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

¹ Name of Custodian(s)	² Custodian Address
.....
.....
.....
.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

¹ Name(s)	² Location(s)	³ Complete Explanation(s)
.....
.....
.....
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes () No (X)

16.4 If yes, give full and complete information relating thereto:

¹ Old Custodian	² New Custodian	³ Date of Change	⁴ Reason
.....
.....
.....
.....

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

¹ Central Registration Depository	² Name(s)	³ Address
.....
.....
.....
.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

17.2 If no, list exceptions:
.....
.....

SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improv		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange		
7. Amount received on sales		
8. Book/adjusted carrying value at end of cur		
9. Total valuation allowance		
10. Subtotal (Line 8 plus Line 9)		
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after ac		
3. Accrual of discount and mortgage interest		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during t		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange		
9. Book value/recorded investment excluding		
10. Total valuation allowance		
11. Subtotal (Line 9 plus Line 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

SCHEDULE BA - VERIFICATION

Other Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year		
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions	1,500,000	
2.2. Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment	(121,353)	
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book/adjusted carrying value of long-term invested assets at end of current period	1,378,647	
10. Total valuation allowance		
11. Subtotal (Line 9 plus Line 10)	1,378,647	
12. Total nonadmitted amounts		
13. Statement value of long term invested assets at end of current period (Page 2, Line 7, Column 3)	1,378,647	

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	17,364,710	3,203,495
2. Cost of bonds and stocks acquired	9,186,263	17,358,313
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		
7. Consideration for bonds and stocks disposed of	8,309,990	3,197,098
8. Amortization of premium	(129)	
9. Book/adjusted carrying value, current period	18,241,112	17,364,710
10. Total valuation allowance		
11. Subtotal (Line 9 plus Line 10)	18,241,112	17,364,710
12. Total nonadmitted amounts		
13. Statement value	18,241,112	17,364,710

SCHEDULE D - PART 1B

Showing the Acquisitions , Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1.....	17,614,695	4,287,198	3,635,000	(25,781)	16,031,398	17,614,695	18,241,112	17,364,710
2. Class 2.....								
3. Class 3.....								
4. Class 4.....								
5. Class 5.....								
6. Class 6.....								
7. Total Bonds.....	17,614,695	4,287,198	3,635,000	(25,781)	16,031,398	17,614,695	18,241,112	17,364,710
PREFERRED STOCK								
8. Class 1.....								
9. Class 2.....								
10. Class 3.....								
11. Class 4.....								
12. Class 5.....								
13. Class 6.....								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	17,614,695	4,287,198	3,635,000	(25,781)	16,031,398	17,614,695	18,241,112	17,364,710

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	NONE				

SCHEDULE DA - PART 2 - VERIFICATION

Short-Term Investments Owned

	1	2
	Year To Date	Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year		
2. Cost of short-term investments acquired		
3. Increase (decrease) by adjustment		
4. Increase (decrease) by foreign exchange ad		
5. Total profit (loss) on disposal of short-term ii	NONE	
6. Consideration received on disposal of short-t		
7. Book / adjusted carrying value, current perio		
8. Total valuation allowance		
9. Subtotal (Line 7 plus Line 8)		
10. Total nonadmitted amounts		
11. Statement value (Line 9 minus Line 10)		
12. Income collected during period		
13. Income earned during period		

SCHEDULE DB - PART F - SECTION 1

Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
1	2	3	4	5	Derivative Instruments Open		Cash Instrument(s) Held				
Replication RSAT Number	Description	NAIC Designation or Other Description	Statement Value	Fair Value	6 Description	7 Fair Value	8 CUSIP	9 Description	10 Statement Value	11 Fair Value	12 NAIC Designation or Other Description

NONE

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year To Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value	Number of Positions	Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replicated Asset Statement Value	X X X						X X X		X X X	
4. Less: Closed or Disposed of Transactions										
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	X X X						X X X		X X X	
7. Ending Inventory										

NONE

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
------------------------------	------------------------------	----------------------------	-------------------	---

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		1	2	Direct Business Only Year to Date					
				3	4	5	6	7	8
States, Etc.		Guaranty Fund (Yes or No)	Is Insurer Licensed ? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/ Casualty Premiums
1.	Alabama	AL							
2.	Alaska	AK							
3.	Arizona	AZ							
4.	Arkansas	AR							
5.	California	CA							
6.	Colorado	CO							
7.	Connecticut	CT							
8.	Delaware	DE							
9.	District of Columbia	DC							
10.	Florida	FL							
11.	Georgia	GA							
12.	Hawaii	HI							
13.	Idaho	ID							
14.	Illinois	IL							
15.	Indiana	IN							
16.	Iowa	IA							
17.	Kansas	KS							
18.	Kentucky	KY							
19.	Louisiana	LA							
20.	Maine	ME							
21.	Maryland	MD							
22.	Massachusetts	MA							
23.	Michigan	MI							
24.	Minnesota	MN							
25.	Mississippi	MS							
26.	Missouri	MO							
27.	Montana	MT							
28.	Nebraska	NE							
29.	Nevada	NV							
30.	New Hampshire	NH							
31.	New Jersey								
32.	New Mexico								
33.	New York								
34.	North Carolina								
35.	North Dakota								
36.	Ohio								
37.	Oklahoma								
38.	Oregon								
39.	Pennsylvania								
40.	Rhode Island								
41.	South Carolina	SC							
42.	South Dakota	SD							
43.	Tennessee	TN							
44.	Texas	TX							
45.	Utah	UT							
46.	Vermont	VT							
47.	Virginia	VA							
48.	Washington	WA							
49.	West Virginia	WV							
50.	Wisconsin	WI							
51.	Wyoming	WY							
52.	American Samoa	AS							
53.	Guam	GU							
54.	Puerto Rico	PR							
55.	U. S. Virgin Islands	VI							
56.	Northern Mariana Islands	MP							
57.	Canada	CN							
58.	Aggregate Other Alien	OT	XXX	XXX					
59.	Subtotal		XXX	XXX					
60.	Reporting entity contributions for Employee Benefit Plans		XXX	XXX					
61.	Total (Direct Business)		XXX	(a)					
DETAILS OF WRITE-INS									
5801.									
5802.									
5803.									
5898.	Summary of remaining write-ins for Line 58 from overflow page								
5899.	Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)								

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

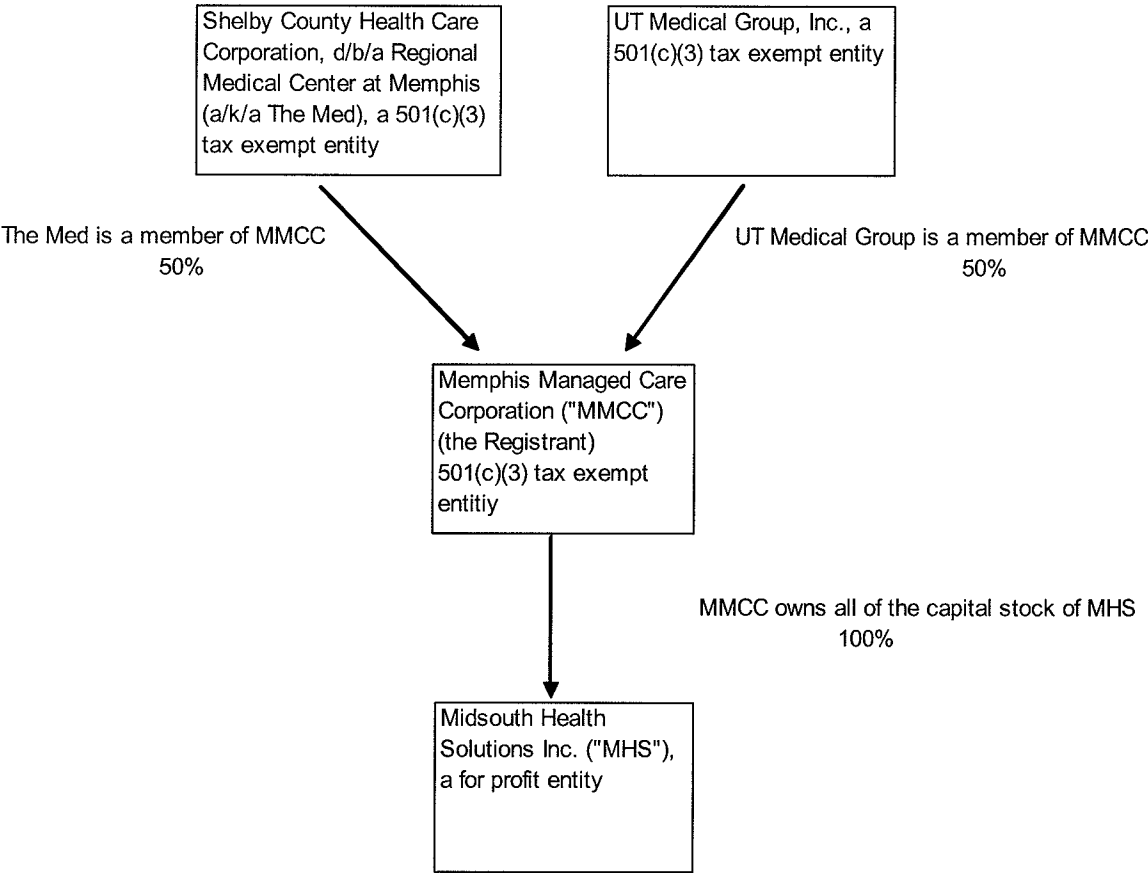
All entity members of a Holding Company Group that have acquired and/or disposed of any domestic entity (s) since filing the last annual or quarterly statement shall prepare a common schedule for inclusion in each of the individual quarterly statements

PART 1 - ORGANIZATIONAL LISTING

1	2	3	4	5	6
NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	FEI Number	Name of Company
	UT MEDICAL GROUP INC. & REGIONAL MEDICAL		TN	62-1539163	MEMPHIS MANAGED CARE INC.
	UT MEDICAL GROUP INC. & REGIONAL MEDICAL		TN	20-4063319	MID-SOUTH HEALTH SOLUTIONS

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost	7 Amount of Encumbrances	8 Book / Adjusted Carrying Value Less Encumbrances	9 Expended for Additions and Permanent Improvements
	2 City	3 State						

E01

SCHEDULE A - PART 3

Showing All Real Estate SOLD During the Quarter , Including Payments During the Final Year on "Sales under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Increase (Decrease) by Adjustment	8 Increase (Decrease) by Foreign Exchange Adjustment	9 Expended for Additions, Permanent Improvements and Changes in Encumbrances	10 Book/Adjusted Carrying Value Less Encumbrances	11 Amounts Received	12 Foreign Exchange Profit (Loss) on Sale	13 Realized Profit (Loss) on Sale	14 Total Profit (Loss) on Sale	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes , Repairs and Expenses Incurred
	2 City	3 State													

NONE

SCHEDULE B - PART 1

Showing All Mortgage Loans ACQUIRED during the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12
Loan Number	2 City	3 State	Loan Type	Actual Cost	Date Acquired	Rate of Interest	Book Value/Recorded Investment Excluding Accrued Interest	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Value of Land and Buildings	Date of Last Appraisal or Valuation

NONE

SCHEDULE B - PART 2

Showing All Mortgage Loans SOLD , Transferred or Paid in Full During the Current Quarter

1	Location		4	5	6	7	8	9	10	11	12	13
Loan Number	2 City	3 State	Loan Type	Date Acquired	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book Value/Recorded Investment Excluding Accrued Interest at Disposition	Consideration Received	Foreign Exchange Profit (Loss) on Sale	Realized Profit (Loss) on Sale	Total Profit (Loss) on Sale

SCHEDULE BA - PART 1

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost	10 Amount of Encumbrances	11 Book/Adjusted Carrying Value Less Encumbrances	12 Fair Value	13 Increase (Decrease) by Adjustment	14 Increase (Decrease) By Foreign Exchange Adjustment	15 Commitment for Additional Investment	16 Percentage of Ownership
		3 City	4 State												

NONE

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD , Transferred or Paid in Full During the Current Quarter

1 CUSIP Identification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Book/Adjusted Carrying Value Less Encumbrances Prior Year	8 Increase (Decrease) by Adjustment	9 Increase (Decrease) by Foreign Exchange Adjustment	10 Book/Adjusted Carrying Value less Encumbrances on Disposal	11 Consideration Received	12 Foreign Exchange Gain (Loss) on Disposal	13 Realized Gain (Loss) on Disposal	14 Total Gain (Loss) on Disposal	15 Investment Income
		3 City	4 State											

NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U. S. Governments									
912828-CC-2	U. S. TREASURY		09/15/2006	MORGAN STANLEY		1,406,983	148,000.00		
912828-FP-0	U. S. TREASURY		08/17/2006	FIRST TENNESSEE SECURITIES		100,133	100,000.00	27	
0399999	Subtotal - Bonds - U. S. Governments					1,507,116	248,000.00	27	
Bonds - All Other Governments									
3133XG-6T-6	FEDERAL HOME LOAN BANK		07/10/2006	DAIN RAUSCHER		500,000	500,000.00		
3133XG-3V-4	FEDERAL HOME LOAN BANK		07/26/2006	SCOTT & STRINGFELLOW		500,280	500,000.00	719	
3133XG-DS-0	FEDERAL HOME LOAN BANK		08/01/2006	SCOTT & STRINGFELLOW		195,000	195,000.00		
3133XG-DS-0	FEDERAL HOME LOAN BANK		08/01/2006	FIRST TENNESSEE BANK		500,000	500,000.00		
3137EA-AH-2	FEDERAL HOME LOAN BANK		09/15/2006	UBS		499,480	500,000.00		
31331S-JK-0	FEDERAL FARM CREDIT BANK		07/06/2006	G. X. CLARKE COMPANY		95,940	100,000.00	1,603	
31331S-NF-6	FEDERAL FARM CREDIT BANK		08/17/2006	G. X. CLARKE & COMAPANY		97,000	100,000.00	333	
1099999	Subtotal - Bonds - All Other Governments					2,387,700	2,395,000.00	2,655	
Bonds - Industrial and Miscellaneous (Unaffiliated)									
38143U-AA-9	GOLDMAN SACHS		09/15/2006	STERNE, AGEE & LEACH, INC.		97,022	100,000.00	646	
59018Y-NZ-0	MERRIL LYNCH & CO. INC.		08/09/2006	STERNE, AGEE, & LEACH, INC.		98,388	100,000.00	933	
87612E-AJ-5	TARGET CORP.		08/21/2006	SCOTT & STRINGFELLOW INVESTMENT CORP.		100,486	100,000.00	985	
38143U-AA-9	WACHOVIA CORP.		09/12/2006	MORGAN STANLEY DW INC.		96,486	100,000.00	252	
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					392,382	400,000.00	2,816	
6099997	Subtotal - Bonds - Part 3					4,287,198	3,043,000.00	5,498	
6099999	Subtotal - Bonds					4,287,198	3,043,000.00	5,498	
7499999	TOTALS					4,287,198		5,498	

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Designa- tion or Market Indi- cator (a)
Bonds - U.S. Governments																					
912828-BF-6	U.S. TREASURY		08/15/2006	AMSOUTH BANK		250,000	250,000.00	246,660	247,072		2,928				250,000				2,969	08/15/2006	
912828-BF-6	U.S. TREASURY		08/15/2006	SUNTRUST BANK		1,415,000	1,415,000.00	1,413,563	1,414,572		428				1,415,000				33,806	08/15/2006	
0399999	Subtotal - Bonds - U.S. Governments					1,665,000	1,665,000.00	1,660,223	1,661,644		3,356				1,665,000				36,575		
Bonds - All Other Governments																					
3133X1-4N-4	FEDERAL HOME LOAN BANK		09/15/2006	SUNTRUST BANK		215,000	215,000.00	213,334							215,000				3,091	09/15/2006	
3133XC-MU-4	FEDERAL HOME LOAN BANK		08/01/2006	SUNTRUST BANK		605,000	605,000.00	604,618	604,605		395				605,000				22,183	08/01/2006	
31359M-S7-9	FEDERAL NATIONAL MORTGAGE ASSOCIATION		09/19/2006	SUNTRUST BANK		550,000	550,000.00	550,000							550,000				7,631	07/16/2006	
1099999	Subtotal - Bonds - All Other Governments					1,370,000	1,370,000.00	1,367,952	604,605		395				1,370,000				32,905		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
002824-AM-2	ABBOTT LABS		07/03/2006	AMSOUTH BANK		100,000	100,000.00	102,819	100,174		(174)				100,000				2,813	07/01/2006	
025816-AN-9	AMERICAN EXPRESS CO		09/12/2006	AMSOUTH BANK		100,000	100,000.00	100,073	100,055		(55)				100,000				2,704	09/12/2006	
125581-AG-3	CITI GROUP INC		09/29/2006	AMSOUTH BANK		100,000	100,000.00	98,811	99,758		242				100,000				1,438	09/29/2006	
172967-BH-3	CITI GROUP INC		08/09/2006	AMSOUTH BANK		100,000	100,000.00	102,756	100,318		(318)				100,000				2,750	08/09/2006	
693476-AR-4	PNC FUNDING CORP		08/01/2006	AMSOUTH BANK		100,000	100,000.00	102,925	100,338		(338)				100,000				2,875	08/01/2006	
931142-BN-2	WALMART STORES		08/01/2006	AMSOUTH BANK		100,000	100,000.00	102,722	100,314		(314)				100,000				2,725	08/01/2006	
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					600,000	600,000.00	610,106	600,957		(957)				600,000				15,305		
6099997	Subtotal - Bonds - Part 4					3,635,000	3,635,000.00	3,638,281	2,867,206		2,794				3,635,000				84,785		
6099999	Subtotal - Bonds					3,635,000	3,635,000.00	3,638,281	2,867,206		2,794				3,635,000				84,785		
7499999	TOTALS					3,635,000		3,638,281	2,867,206		2,794				3,635,000				84,785		

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Acquisition	Exchange or Counterparty	Cost/Option Premium	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income

NONE

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14
Description	Number of Contracts or Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index	Date of Issuance/ Purchase	Exchange or Counterparty	Consideration Received	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis	Other Investment/ Miscellaneous Income

NONE

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Year to Date Increase (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure

NONE

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Depository		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
Name	Location and Supplemental Information					First Month	Second Month	Third Month	
Open Depositories									
Suntrust	Suntrust-TN-Investment					990,198	2,029,672	2,313,340	
Amsouth	Amsouth-TN-Gen. Operating					7,347,436	7,934,881	2,810,797	
Amsouth	Amsouth-TN-Claims					(6,219,092)	(9,140,022)	(8,173,736)	
Amsouth	Amsouth-TN-Payroll						1,411	236	
Amsouth	Amsouth-TN-Escrow Cash					1,026,560	14,000	28,865	
Amsouth	Amsouth-TN-Trust					4,261,752	9,282,319	9,327,270	
0199999 - TOTAL - Open Depositories						7,406,854	10,122,261	6,306,772	
0399999 - TOTAL Cash on Deposit						7,406,854	10,122,261	6,306,772	
0499999 - Cash in Company's Office						600	600	600	
0599999 - TOTALS						7,407,454	10,122,861	6,307,372	

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP Identification	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due and Accrued	9 Gross Investment Income
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NONE

STATEMENT AS OF September 30, 2006 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Non Admitted'	Admitted

NONE

STATEMENT AS OF September 30, 2006 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Non Admitted	7 Admitted
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0199999 Pharmaceutical Rebate Receivables

0299999 Claim Overpayment Receivables

0399999 Loans and Advances to Providers

0499999 Capitation Arrangement Receivables

0599999 Risk Sharing Receivables

0699999 Other Receivables

0799999 Gross Health Care Receivables

-

-

-

-

90,000

90,000

25,007

25,007

-

115,007

115,007

-

STATEMENT AS OF September 30, 2006 OF THE MEMPHIS MANAGED CARE CORP.

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Non Admitted'	Admitted	
						7 Current	8 Non-Current
Med-MRI	0	0	0	25,078	25,078	0	0
Medplex	0	0	0	3,000	3,000	0	0
The Health Loop	0	0	0	0	0	0	0
Midsouth Health Solutions	282,002	0	0	0	0	282,002	0
01999999 Individual Listed Receivables	282,002	0	0	28,078	28,078	282,002	0
02999999 Receivables Not individually Listed							
03999999 Total Gross amounts Receivable	282,002			28,078	28,078	282,002	0

Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES

	Current Year		Previous Year
	Current Period	Year to Date Total	Total
Member Months	(513,008)	1,544,787	2,246,795
REVENUES:			
1 TennCare Capitation	81,898,414	242,598,625	367,876,872
2 Investment	378,848	967,146	864,208
3 Other Revenue	0	(0)	43,358
4 Total Revenue	82,277,262	243,565,771	368,784,439
EXPENSES:			
Medical and Hospital Services			
5 Capitated Physician Services	2,770,613	9,351,909	12,205,478
6 Fee for Service Physician Services	33,214,936	107,864,877	93,556,322
7 Inpatient Hospital Services	40,369,059	108,200,412	90,584,074
8 Outpatient Services	84,106	86,325	138,972
9 Emergency Room Services	5,779,590	17,918,674	27,868,700
10 Mental Health Services	13,445	23,744	17,119
11 Dental Services	-	-	-
12 Vision Services	645,137	1,485,024	1,926,889
13 Pharmacy Services	-	-	2,511
14 Home Health Services	1,843,300	4,448,608	3,589,644
15 Chiropractic Services	-	-	-
16 Radiology Services	406,230	955,904	5,275,687
17 Laboratory Services	2,289,005	5,814,991	10,909,636
18 Durable Medical Equipment Services	84,611	240,171	928,798
19 Transportation Services	1,027,514	2,982,941	4,043,600
20 Outside Referrals	-	-	-
21 Medical incentive Pool and Withhold Adjustments	-	-	-
22 Occupancy Depreciation and Amortization	-	-	-
23 Other Medical and Hospital Services	(10,799,787)	(31,390,076)	77,751,347
24 Subtotal	77,727,759	227,983,504	328,798,777
25 Reinsurance Expense Net of Recoveries	-	-	1,760,123
LESS:			
26 Copayments	-	-	-
27 Subrogation	-	-	6,093
28 Coordination of Benefits	-	-	244
29 Subtotal	-	-	6,336
30 TOTAL MEDICAL AND HOSPITAL	77,727,759	227,983,504	330,552,564
Administration			
31 Compensation	2,099,297	6,358,313	9,881,839
32 Marketing	4,926	28,939	61,912
33 Interest Expense	-	92	-
34 Premium Tax Expense	1,668,283	3,305,799	11,245,609
35 Occupancy Depreciation and Amortization	129,440	389,013	858,581
36 Other Administration	(837,786)	(86,909)	7,995,175
37 TOTAL ADMINISTRATION	3,064,159	9,995,247	30,043,116
38 TOTAL EXPENSES	80,791,918	237,978,751	360,595,680
39 NET INCOME (LOSS)	1,485,345	5,587,020	8,188,759